

105TH CONGRESS
1ST SESSION

H. R. 2333

To provide improvements for the financial and emotional security of seniors.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 1997

Mr. FOX of Pennsylvania introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on the Judiciary, Banking and Financial Services, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide improvements for the financial and emotional security of seniors.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Senior Citizen Bill of
5 Rights Act of 1997”.

6 **SEC. 2. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY**
7 **BENEFITS.**

8 (a) IN GENERAL.—Subsection (a) of section 86 of the
9 Internal Revenue Code of 1986 (relating to social security

1 and tier 1 railroad retirement benefits) is amended by
 2 adding at the end the following new paragraph:

3 “(3) PHASEOUT OF ADDITIONAL AMOUNT.—In
 4 the case of any taxable year beginning in a calendar
 5 year after 1997 and before 2002, paragraph (2)
 6 shall be applied by substituting the percentage deter-
 7 mined under the following table for ‘85 percent’ each
 8 place it appears:

**“In the case of a taxable
 year beginning in cal- The percentage is:
 endar year:**

1998	75 percent
1999	65 percent
2000	60 percent
2001	55 percent.”

9 (b) TERMINATION OF ADDITIONAL AMOUNT.—Para-
 10 graph (2) of section 86(a) of such Code is amended by
 11 adding at the end the following new flush sentence:

12 “‘This paragraph shall not apply to any taxable year
 13 beginning after December 31, 2001.’”

14 (c) CONFORMING AMENDMENTS.—

15 (1) Paragraph (3) of section 871(a) of such
 16 Code is amended—

17 (A) in subparagraph (A), by striking “85
 18 percent” and inserting “50 percent”, and

19 (B) by inserting before the last sentence
 20 the following new flush sentence:

21 “‘In the case of any taxable year beginning in a cal-
 22 endar year after 1997 and before 2002, subpara-

graph (A) shall be applied by substituting the percentage determined for such calendar year under section 86(a)(3) for ‘50 percent’.”

(2)(A) Subparagraph (A) of section 121(e)(1) of the Social Security Amendments of 1983 (Public Law 98–21) is amended—

(i) by striking “(A) There” and inserting “There”;

(ii) by striking “(i)” immediately following “amounts equivalent to”; and

(iii) by striking “, less (ii)” and all that follows and inserting a period.

(B) Paragraph (1) of section 121(e) of such Act is amended by striking subparagraph (B).

(C) Paragraph (3) of section 121(e) of such Act is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(D) Paragraph (2) of section 121(e) of such Act is amended in the first sentence by striking “paragraph (1)(A)” and inserting “paragraph (1)”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

1 (2) SUBSECTION (C)(2).—The amendments
 2 made by subsection (c)(2) shall apply to tax liabil-
 3 ities for taxable years beginning after December 31,
 4 1997.

5 **SEC. 3. EXEMPTION FROM TAX FOR GAIN ON SALE OF PRIN-**
 6 **CIPAL RESIDENCE.**

7 (a) IN GENERAL.—Section 121 of the Internal Reve-
 8 nue Code of 1986 (relating to one-time exclusion of gain
 9 from sale of principal residence by individual who has at-
 10 tained age 55) is amended to read as follows:

11 **“SEC. 121. EXCLUSION OF GAIN FROM SALE OF PRINCIPAL**
 12 **RESIDENCE.**

13 “(a) EXCLUSION.—Gross income shall not include
 14 gain from the sale or exchange of property if, during the
 15 5-year period ending on the date of the sale or exchange,
 16 such property has been owned and used by the taxpayer
 17 as the taxpayer’s principal residence for periods aggregat-
 18 ing 2 years or more.

19 “(b) LIMITATIONS.—

20 “(1) DOLLAR LIMITATION.—The amount of
 21 gain excluded from gross income under subsection
 22 (a) with respect to any sale or exchange shall not ex-
 23 ceed \$250,000 (\$500,000 in the case of a joint re-
 24 turn where both spouses meet the use requirement
 25 of subsection (a)).

1 “(2) APPLICATION TO ONLY 1 SALE OR EX-
2 CHANGE EVERY 2 YEARS.—

3 “(A) IN GENERAL.—Subsection (a) shall
4 not apply to any sale or exchange by the tax-
5 payer if, during the 2-year period ending on the
6 date of such sale or exchange, there was any
7 other sale or exchange by the taxpayer or his
8 spouse to which subsection (a) applied.

9 “(B) PREMARRIAGE SALES BY SPOUSE
10 NOT TAKEN INTO ACCOUNT.—If, but for this
11 subparagraph, subsection (a) would not apply
12 to a sale or exchange by a married individual
13 by reason of a sale or exchange by such individ-
14 ual’s spouse before their marriage—

15 “(i) subparagraph (A) shall be applied
16 without regard to the sale or exchange by
17 such individual’s spouse, but

18 “(ii) the amount of gain excluded
19 from gross income under subsection (a)
20 with respect to the sale or exchange by
21 such individual shall not exceed \$250,000.

22 “(C) PRE-1998 SALES NOT TAKEN INTO AC-
23 COUNT.—Subparagraph (A) shall be applied
24 without regard to any sale or exchange before
25 January 1, 1998.

1 “(c) EXCLUSION FOR TAXPAYERS FAILING TO MEET
2 CERTAIN REQUIREMENTS.—

3 “(1) IN GENERAL.—In the case of a sale or ex-
4 change to which this subsection applies, the owner-
5 ship and use requirements of subsection (a) shall not
6 apply and subsection (b)(2) shall not apply; but the
7 amount of gain excluded from gross income under
8 subsection (a) with respect to such sale of exchange
9 shall not exceed—

10 “(A) the amount which bears the same
11 ratio to the amount which would be so excluded
12 if such requirements had been met, as

13 “(B) the shorter of—

14 “(i) the aggregate periods, during the
15 5-year period ending on the date of such
16 sale or exchange, such property has been
17 owned and used by the taxpayer as the
18 taxpayer’s principal residence, or

19 “(ii) the period after the date of the
20 most recent prior sale or exchange by the
21 taxpayer or his spouse to which subsection
22 (a) applied and before the date of such sale
23 or exchange,
24 bears to 2 years.

1 “(2) SALES AND EXCHANGES TO WHICH SUB-
2 SECTION APPLIES.—This subsection shall apply to
3 any sale or exchange if—

4 “(A) subsection (a) would not (but for this
5 subsection) apply to such sale or exchange by
6 reason of—

7 “(i) a failure to meet the ownership
8 and use requirements of subsection (a), or

9 “(ii) subsection (b)(2), and

10 “(B) such sale or exchange is by reason of
11 a change in place of employment, health, or
12 other unforeseen circumstances.

13 “(d) SPECIAL RULES.—

14 “(1) JOINT RETURNS.—For purposes of this
15 section, if a husband and wife make a joint return
16 for the taxable year of the sale or exchange of prop-
17 erty, subsection (a) applies if either spouse meets
18 the ownership and use requirements of subsection
19 (a) with respect to such property.

20 “(2) PROPERTY OF DECEASED SPOUSE.—For
21 purposes of this section, in the case of an unmarried
22 individual whose spouse is deceased on the date of
23 the sale or exchange of property, the period such un-
24 married individual owned such property shall include

1 the period such deceased spouse held such property
2 before death.

3 “(3) TENANT-STOCKHOLDER IN COOPERATIVE
4 HOUSING CORPORATION.—For purposes of this sec-
5 tion, if the taxpayer holds stock as a tenant-stock-
6 holder (as defined in section 216) in a cooperative
7 housing corporation (as defined in such section),
8 then—

9 “(A) the holding requirements of sub-
10 section (a) shall be applied to the holding of
11 such stock, and

12 “(B) the use requirements of subsection
13 (a) shall be applied to the house or apartment
14 which the taxpayer was entitled to occupy as
15 such stockholder.

16 “(4) INVOLUNTARY CONVERSIONS.—

17 “(A) IN GENERAL.—For purposes of this
18 section, the destruction, theft, seizure, requis-
19 ition, or condemnation of property shall be
20 treated as the sale of such property.

21 “(B) APPLICATION OF SECTION 1033.—In
22 applying section 1033 (relating to involuntary
23 conversions), the amount realized from the sale
24 or exchange of property shall be treated as
25 being the amount determined without regard to

1 this section, reduced by the amount of gain not
2 included in gross income pursuant to this sec-
3 tion.

4 “(C) PROPERTY ACQUIRED AFTER INVOL-
5 UNTARY CONVERSION.—If the basis of the
6 property sold or exchanged is determined (in
7 whole or in part) under section 1033(b) (relat-
8 ing to basis of property acquired through invol-
9 untary conversion), then the holding and use by
10 the taxpayer of the converted property shall be
11 treated as holding and use by the taxpayer of
12 the property sold or exchanged.

13 “(5) RECOGNITION OF GAIN ATTRIBUTABLE TO
14 DEPRECIATION.—Subsection (a) shall not apply to
15 so much of the gain from the sale of any property
16 as does not exceed the portion of the depreciation
17 adjustments (as defined in section 1250(b)(3)) at-
18 tributable to periods after December 31, 1997, in re-
19 spect of such property.

20 “(6) DETERMINATION OF USE DURING PERIODS
21 OF OUT-OF-RESIDENCE CARE.—In the case of a tax-
22 payer who—

23 “(A) becomes physically or mentally in-
24 capable of self-care, and

1 “(B) owns property and uses such property
2 as the taxpayer’s principal residence during the
3 5-year period described in subsection (a) for pe-
4 riods aggregating at least 1 year,
5 then the taxpayer shall be treated as using such
6 property as the taxpayer’s principal residence during
7 any time during such 5-year period in which the tax-
8 payer owns the property and resides in any facility
9 (including a nursing home) licensed by a State or
10 political subdivision to care for an individual in the
11 taxpayer’s condition.

12 “(7) DETERMINATION OF MARITAL STATUS.—
13 In the case of any sale or exchange, for purposes of
14 this section—

15 “(A) the determination of whether an indi-
16 vidual is married shall be made as of the date
17 of the sale or exchange, and

18 “(B) an individual legally separated from
19 his spouse under a decree of divorce or of sepa-
20 rate maintenance shall not be considered as
21 married.

22 “(e) DENIAL OF EXCLUSION FOR EXPATRIATES.—
23 This section shall not apply to any sale or exchange by
24 an individual if the treatment provided by section
25 877(a)(1) applies to such individual.

1 “(f) ELECTION TO HAVE SECTION NOT APPLY.—

2 This section shall not apply to any sale or exchange with
3 respect to which the taxpayer elects not to have this sec-
4 tion apply.

5 “(g) RESIDENCES ACQUIRED IN ROLLOVERS UNDER

6 SECTION 1034.—For purposes of this section, in the case
7 of property the acquisition of which by the taxpayer re-
8 sulted under section 1034 (as in effect on the day before
9 the date of the enactment of this sentence) in the non-
10 recognition of any part of the gain realized on the sale
11 or exchange of another residence, in determining the pe-
12 riod for which the taxpayer has owned and used such
13 property as the taxpayer’s principal residence, there shall
14 be included the aggregate periods for which such other
15 residence (and each prior residence taken into account
16 under section 1223(7) in determining the holding period
17 of such property) had been so owned and used.”

18 (b) REPEAL OF NONRECOGNITION OF GAIN ON
19 ROLLOVER OF PRINCIPAL RESIDENCE.—Section 1034 of
20 such Code (relating to rollover of gain on sale of principal
21 residence) is hereby repealed.

22 (c) CONFORMING AMENDMENTS.—

23 (1) The following provisions of the Internal
24 Revenue Code of 1986 are each amended by striking

25 “section 1034” and inserting “section 121”: sections

1 25(e)(7), 56(e)(1)(A), 56(e)(3)(B)(i),
 2 143(i)(1)(C)(i)(I), 163(h)(4)(A)(i)(I),
 3 280A(d)(4)(A), 464(f)(3)(B)(i), 1274(c)(3)(B),
 4 6334(a)(13), and 7872(f)(11)(A).

5 (2) Paragraph (4) of section 32(c) of such Code
 6 is amended by striking “(as defined in section
 7 1034(h)(3))” and by adding at the end the following
 8 new sentence: “For purposes of the preceding sen-
 9 tence, the term ‘extended active duty’ means any pe-
 10 riod of active duty pursuant to a call or order to
 11 such duty for a period in excess of 90 days or for
 12 an indefinite period.”

13 (3) Subparagraph (A) of 143(m)(6) of such
 14 Code is amended by inserting “(as in effect on the
 15 day before the date of the enactment of the Senior
 16 Citizen Bill of Rights)” after “1034(e)”.

17 (4) Subsection (e) of section 216 of such Code
 18 is amended by striking “such exchange qualifies for
 19 nonrecognition of gain under section 1034(f)” and
 20 inserting “such dwelling unit is used as his principal
 21 residence (within the meaning of section 121)”.

22 (5) Section 512(a)(3)(D) of such Code is
 23 amended by inserting “(as in effect on the day be-
 24 fore the date of the enactment of the Senior Citizen
 25 Bill of Rights)” after “1034”.

1 (6) Paragraph (7) of section 1016(a) of such
2 Code is amended by inserting “(as in effect on the
3 day before the date of the enactment of the Senior
4 Citizen Bill of Rights)” after “1034” and by insert-
5 ing “(as so in effect)” after “1034(e)”.

6 (7) Paragraph (3) of section 1033(k) of such
7 Code is amended to read as follows:

8 “(3) For exclusion from gross income of gain
9 from involuntary conversion of principal residence,
10 see section 121.”

11 (8) Subsection (e) of section 1038 of such Code
12 is amended to read as follows:

13 “(e) PRINCIPAL RESIDENCES.—If—

14 “(1) subsection (a) applies to a reacquisition of
15 real property with respect to the sale of which gain
16 was not recognized under section 121 (relating to
17 gain on sale of principal residence); and

18 “(2) within 1 year after the date of the reacqui-
19 sition of such property by the seller, such property
20 is resold by him,

21 then, under regulations prescribed by the Secretary, sub-
22 sections (b), (c), and (d) of this section shall not apply
23 to the reacquisition of such property and, for purposes of
24 applying section 121, the resale of such property shall be

1 treated as a part of the transaction constituting the origi-
2 nal sale of such property.”

3 (9) Paragraph (7) of section 1223 of such Code
4 is amended by inserting “(as in effect on the day be-
5 fore the date of the enactment of the Senior Citizen
6 Bill of Rights)” after “1034”.

7 (10) Paragraph (7) of section 1250(d) of such
8 Code is amended to read as follows:

9 “(7) DISPOSITION OF PRINCIPAL RESIDENCE.—
10 Subsection (a) shall not apply to a disposition of
11 property to the extent used by the taxpayer as his
12 principal residence (within the meaning of section
13 121, relating to gain on sale of principal residence).”

14 (11) Subsection (c) of section 6012 of such
15 Code is amended by striking “(relating to one-time
16 exclusion of gain from sale of principal residence by
17 individual who has attained age 55)” and inserting
18 “(relating to gain from sale of principal residence)”.

19 (12) Paragraph (2) of section 6212(c) of such
20 Code is amended by striking subparagraph (C) and
21 by redesignating subparagraph (E) as subparagraph
22 (C).

23 (13) Section 6504 of such Code is amended by
24 striking paragraph (4) and by redesignating the suc-
25 ceeding paragraphs accordingly.

1 (14) The item relating to section 121 in the
2 table of sections for part III of subchapter B of
3 chapter 1 of such Code is amended to read as fol-
4 lows:

 “Sec. 121. Exclusion of gain from sale of principal residence.”

5 (15) The table of sections for part III of sub-
6 chapter O of chapter 1 of such Code is amended by
7 striking the item relating to section 1034.

8 (d) EFFECTIVE DATE.—

9 (1) IN GENERAL.—The amendments made by
10 this section shall apply to sales and exchanges after
11 December 31, 1997.

12 (2) BINDING CONTRACTS, ETC.—At the election
13 of the taxpayer, the amendments made by this sec-
14 tion shall not apply to a sale or exchange after De-
15 cember 31, 1997, if—

16 (A) such sale or exchange is pursuant to a
17 contract which was binding on such date, and
18 at all times before such sale or exchange, or

19 (B) without regard to such amendments,
20 gain would not be recognized under section
21 1034 of the Internal Revenue Code of 1986 (as
22 in effect on the day before the date of the en-
23 actment of this Act) on such sale or exchange
24 by reason of a new residence acquired on or be-
25 fore such date.

1 This paragraph shall not apply to any sale or ex-
 2 change by an individual if the treatment provided by
 3 section 877(a)(1) of the Internal Revenue Code of
 4 1986 applies to such individual.

5 **SEC. 4. REPEAL OF FEDERAL TRANSFER TAXES.**

6 (a) GENERAL RULE.—Subtitle B of the Internal Rev-
 7 enue Code of 1986 (relating to estate, gift, and genera-
 8 tion-skipping taxes) is hereby repealed.

9 (b) EFFECTIVE DATE.—The repeal made by sub-
 10 section (a) shall apply to the estates of decedents dying,
 11 and gifts and generation-skipping transfers made, after
 12 December 30, 1997.

13 **SEC. 5. CONTINUATION OF COVERAGE FOR PERSONS 55**
 14 **AND OLDER UNTIL ELIGIBLE FOR MEDICARE.**

15 (a) IN GENERAL.—Section 4980B(f)(2) of the Inter-
 16 nal Revenue Code of 1986 is amended by adding at the
 17 end the following:

18 “(F) COVERAGE FOR PERSONS 55 AND
 19 OLDER UNTIL ELIGIBLE FOR MEDICARE.—In
 20 the case of a covered employee who has attained
 21 the age of 55 before a qualifying event de-
 22 scribed in paragraph (3)(B)—

23 “(i) in no case shall the period of con-
 24 tinued coverage under subparagraph (B)(i)
 25 with respect to such event end before the

1 applicable date under subparagraph
2 (B)(iv), and

3 “(ii) the premium requirements for
4 any period of continuation of coverage sole-
5 ly be reason of clause (i) shall be deter-
6 mined by substituting ‘110 percent’ for
7 ‘102 percent’ in subparagraph (C)(i), un-
8 less the last sentence of subparagraph (C)
9 otherwise applies.”.

10 (b) EFFECTIVE DATE.—

11 (1) IN GENERAL.—Except as provided in para-
12 graph (2), the amendment made by subsection (a)
13 shall apply with respect to plan years beginning
14 after the date of the enactment of this Act.

15 (2) SPECIAL RULE FOR COLLECTIVE BARGAIN-
16 ING AGREEMENTS.—In the case of a group health
17 plan maintained pursuant to one or more collective
18 bargaining agreements between employee representa-
19 tives and one or more employers ratified before the
20 date of the enactment of this Act, the amendment
21 made by subsection (a) shall not apply to plan years
22 beginning before the later of—

23 (A) the date on which the last of the col-
24 lective bargaining agreements relating to the
25 plan terminates (determined without regard to

1 any extension thereof agreed to after the date
2 of the enactment of this Act), or

3 (B) the date that is two years after the
4 date of the enactment of this Act.

5 For purposes of subparagraph (A), any plan amend-
6 ment made pursuant to a collective bargaining
7 agreement relating to the plan which amends the
8 plan solely to conform to any requirement added by
9 this section shall not be treated as a termination of
10 such collective bargaining agreement.

11 **SEC. 6. TELEMARKETING FRAUD PREVENTION.**

12 (a) FORFEITURE OF FRAUD PROCEEDS.—

13 (1) CIVIL.—Section 981(a)(1) of title 18, Unit-
14 ed States Code, is amended by adding at the end the
15 following:

16 “(G) Any property, real or personal, con-
17 stituting, derived from, or traceable to, any pro-
18 ceeds obtained directly or indirectly to a viola-
19 tion of section 2326. Notwithstanding any other
20 provision of law, any property forfeited under
21 this subparagraph, or the proceeds of such
22 property, shall be used, to the extent needed, as
23 determined by the Attorney General, for the na-
24 tional information hotline established under sec-
25 tion 250008 of the Violent Crime Control and

1 Law Enforcement Act of 1994 and other en-
2 forcement of section 2326.”.

3 (2) CRIMINAL.—Section 982(a) of title 18,
4 United States Code, is amended by adding at the
5 end the following:

6 “(6) The Court, in sentencing an offender
7 under section 2326, shall order that the offender
8 forfeit to the United States any real or personal
9 property constituting or derived from proceeds that
10 the offender obtained directly or indirectly as a re-
11 sult of the offense. Any property forfeited under this
12 paragraph, or the proceeds of such property, shall be
13 used, to the extent needed, as determined by the At-
14 torney General, for the national information hotline
15 established under section 250008 of the Violent
16 Crime Control and Law Enforcement Act of 1994
17 and other enforcement of section 2326.”.

18 (b) PRIORITY FOR MANDATORY RESTITUTION.—Sec-
19 tion 2327(a) of title 18, United States Code, is amended
20 by adding at the end “The payment of an amount due
21 pursuant to such restitution shall have priority over the
22 payment of any fine or the forfeiture of any property
23 under section 982(a)(6) from which such payment could
24 be made or derived.”.

1 (c) SENTENCING IN CASES WITH VULNERABLE VIC-
 2 TIMS.—The United States Sentencing Commission shall
 3 amend the sentencing guidelines to increase by 2 levels
 4 the vulnerable victim adjustment.

5 (d) INCREASED PUNISHMENT FOR USE OF FOREIGN
 6 LOCATION TO EVADE PROSECUTION.—The United States
 7 Sentencing Commission shall amend the sentencing guide-
 8 lines to increase the offense level for any fraud offense
 9 by 2 levels if defendant conducted activities to further the
 10 fraud from a foreign country in order to impede prosecu-
 11 tion for the offense.

12 (e) INFORMATION ABOUT VICTIMS OF CERTAIN
 13 CRIMES.—Any presentence report required under the Fed-
 14 eral Rules of Criminal Procedure shall include information
 15 about the age of each victim of each fraud offense for
 16 which a defendant is convicted.

17 **SEC. 7. TRANSITIONAL PRIMARY INSURANCE AMOUNTS**
 18 **UNDER TITLE II OF THE SOCIAL SECURITY**
 19 **ACT TO BE NO LOWER THAN THOSE DETER-**
 20 **MINED UNDER PRE-1977 FORMULA.**

21 (a) IN GENERAL.—Section 215 of the Social Security
 22 Act (42 U.S.C. 415) is amended by adding at the end the
 23 following new subsection:

1 “Transitional Primary Insurance Amounts to Be No
2 Lower Than Those Determined Under Pre-1977 Formula

3 “(j)(1) Notwithstanding any other provision of this
4 title, in any case where—

5 “(A) a transitional primary insurance amount
6 as otherwise determined under this section is lower
7 than it would be if it were determined under the pre-
8 1977 formula, or

9 “(B) the maximum amount of benefits payable
10 on the basis of any transitional primary insurance
11 amount as otherwise determined under section
12 203(a) is lower than it would be if it were deter-
13 mined under the pre-1977 formula,

14 such transitional primary insurance amount or maximum
15 amount of benefits (as otherwise so determined) shall be
16 increased to the amount at which it would be fixed if it
17 had been determined under the pre-1977 formula, as
18 though title II of the Social Security Amendments of 1977
19 (and any subsequent amendments to the provisions af-
20 fected by such title) had not been enacted.

21 “(2) For purposes of paragraph (1)—

22 “(A) the term ‘transitional primary insurance
23 amount’ means the primary insurance amount of an
24 individual who attained age 62 during the period be-

1 ginning January 1, 1979, and ending December 31,
2 1986, and

3 “(B) the term ‘pre-1977 formula’ means (with
4 respect to a primary insurance amount) the provi-
5 sions governing the computation of primary insur-
6 ance amounts which were contained in this section
7 as in effect immediately prior to the enactment of
8 the Social Security Amendments of 1977, or (with
9 respect to the maximum amount of benefits payable
10 on the basis of a given primary insurance amount)
11 the provisions governing the determination of maxi-
12 mum benefits which were contained in section
13 203(a) as in effect immediately prior to the enact-
14 ment of such amendments.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 215(a)(1)(A) of such Act (42
17 U.S.C. 415(a)(1)(A)) is amended by striking “shall
18 (except as otherwise provided in this section)” and
19 inserting “shall, subject to subsection (j) (and except
20 as otherwise provided in this section),”.

21 (2) Section 203(a)(1) of such Act (42 U.S.C.
22 403(a)(1)) is amended by striking “except as pro-
23 vided in paragraphs (3) and (6)” and inserting
24 “subject to section 215(j) and except as provided in
25 paragraphs (3) and (6) of this subsection”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply with respect to monthly insurance
3 benefits payable under title II of the Social Security Act
4 for months after the month in which this Act is enacted.
5 Notwithstanding section 215(f)(1) of the Social Security
6 Act, the Commissioner of Social Security shall recompute
7 primary insurance amounts to the extent necessary to
8 carry out the provisions of this section.

9 **SEC. 8. PET OWNERSHIP IN FEDERALLY ASSISTED HOUS-**
10 **ING BY ELDERLY PERSONS AND PERSONS**
11 **WITH DISABILITIES.**

12 Section 227 of the Housing and Urban-Rural Recov-
13 ery Act of 1983 (12 U.S.C. 1701r–1) is amended to read
14 as follows:

15 **“SEC. 227. PET OWNERSHIP IN FEDERALLY ASSISTED RENT-**
16 **AL HOUSING.**

17 “(a) RIGHT OF OWNERSHIP.—A resident of a dwell-
18 ing unit in federally assisted rental housing who is an el-
19 derly person or a person with disabilities may own com-
20 mon household pets or have common household pets
21 present in the dwelling unit of such resident, subject to
22 the reasonable requirements of the owner of the federally
23 assisted rental housing and the requirement that the resi-
24 dent maintain the animals responsibly and in compliance
25 with applicable local and State public health, animal con-

1 trol, and anticruelty laws. Such reasonable requirements
2 may include requiring payment of a nominal fee and pet
3 deposit by such residents owning or having pets present,
4 to cover the operating costs to the project relating to the
5 presence of pets and to establish an escrow account for
6 additional such costs not otherwise covered, respectively.
7 To the extent that a public housing agency has the author-
8 ity under Federal law to exempt an assisted family from
9 payment of the minimum amount otherwise payable by the
10 family for rental of the dwelling unit of the family, the
11 authority may grant an exemption from payment, in whole
12 or in part, of any fee or deposit required pursuant to the
13 preceding sentence.

14 “(b) PROHIBITION AGAINST DISCRIMINATION.—No
15 owner of federally assisted rental housing may restrict or
16 discriminate against any elderly person or person with dis-
17 abilities in connection with admission to, or continued oc-
18 cupancy of, such housing by reason of the ownership of
19 common household pets by, or the presence of such pets
20 in the dwelling unit of, such person.

21 “(c) DEFINITIONS.—For purposes of this section, the
22 following definitions shall apply:

23 “(1) FEDERALLY ASSISTED RENTAL HOUS-
24 ING.—The term ‘federally assisted rental housing’

1 means any multifamily rental housing project that
2 is—

3 “(A) public housing (as such term is de-
4 fined in section 3(b) of the United States Hous-
5 ing Act of 1937;

6 “(B) assisted with project-based assistance
7 under section 8 of the United States Housing
8 Act of 1937;

9 “(C) assisted under section 202 of the
10 Housing Act of 1959 (as amended by section
11 801 of the Cranston-Gonzalez National Afford-
12 able Housing Act);

13 “(D) assisted under section 202 of the
14 Housing Act of 1959 (as in effect before the en-
15 actment of the Cranston-Gonzalez National Af-
16 fordable Housing Act);

17 “(E) assisted under section 811 of the
18 Cranston-Gonzalez National Affordable Hous-
19 ing Act;

20 “(F) assisted under title V of the Housing
21 Act of 1949; or

22 “(G) insured, assisted, or held by the Sec-
23 retary or a State or State agency under section
24 236 of the National Housing Act.

1 “(2) OWNER.—The term ‘owner’ means, with
2 respect to federally assisted rental housing, the en-
3 tity or private person, including a cooperative or
4 public housing agency, that has the legal right to
5 lease or sublease dwelling units in such housing (in-
6 cluding a manager of such housing having such
7 right).

8 “(3) ELDERLY PERSON AND PERSON WITH DIS-
9 ABILITIES.—The terms ‘elderly person’ and ‘person
10 with disabilities’ have the meanings given such terms
11 in section 3(b) of the United States Housing Act of
12 1937.

13 “(d) REGULATIONS.—Subsections (a) through (c) of
14 this section shall take effect upon the date of the effective-
15 ness of regulations issued by the Secretary to carry out
16 this section. Such regulations shall be issued not later
17 than the expiration of the 1-year period beginning on the
18 date of the enactment of the Senior Citizen Bill of Rights
19 Act of 1997 and after notice and opportunity for public
20 comment in accordance with the procedure under section
21 553 of title 5, United States Code, applicable to sub-
22 stantive rules (notwithstanding subsections (a)(2), (b)(B),
23 and (d)(3) of such section).”.

1 **SEC. 9. OFF-BUDGET TREATMENT OF EXPENSES OF ADMIN-**
 2 **ISTERING THE OLD-AGE, SURVIVORS, AND**
 3 **DISABILITY INSURANCE PROGRAM UNDER**
 4 **TITLE II OF THE SOCIAL SECURITY ACT.**

5 (a) AMENDMENTS TO THE OMNIBUS BUDGET REC-
 6 ONCILIATION ACT OF 1990.—Section 13301(a) of the Om-
 7 nibus Budget Reconciliation Act of 1990 is amended by
 8 inserting “(including the expenses of administering the
 9 old-age, survivors, and disability insurance programs)” be-
 10 fore “shall” and by adding at the end the following new
 11 sentence: “No expenses of administering the old-age, sur-
 12 vivors, and disability insurance programs shall be subject
 13 to sequestration under the Balanced Budget and Emer-
 14 gency Deficit Control Act of 1985.”.

15 (b) AMENDMENTS TO THE BALANCED BUDGET AND
 16 EMERGENCY DEFICIT CONTROL ACT OF 1985.—

17 (1) Section 250(c)(4)(B) of the Balanced Budg-
 18 et and Emergency Deficit Control Act of 1985 is
 19 amended by inserting after “appropriations” the fol-
 20 lowing: “, except that expenses for the administra-
 21 tion of the social security old-age and survivors in-
 22 surance trust fund and the disability insurance trust
 23 fund (20–8006–0–7–651 and 20–8007–0–7–651)
 24 shall not be considered to be within any category”.

25 (2) Section 253(b) of such Act is amended by
 26 striking “and” after paragraph (2), by striking the

1 period and inserting “; and” after paragraph (3),
2 and by adding at the end the following new para-
3 graph:

4 “(4) any spending excluded under section
5 250(c)(4)(B).”.

6 (3) Section 256(h)(4) of such Act is amended
7 by inserting at the end the following:

8 “(J) The old-age, survivors and disability
9 insurance (OASDI) programs.”.

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